

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

DV DIAMOND CLUB OF FLINT, LLC
d/b/a Little Darlings, *et al.*

Plaintiffs,

v.

**UNITED STATES SMALL BUSINESS
ADMINISTRATION, *et al.***

Defendants.

Case No. 4:20-cv-10899
Hon. Matthew F. Leitman
Hon. David R. Grand
by referral

DECLARATION OF LARRY BYRNE, ESQ.
RE: AUTHENTICATION OF DOCUMENTS

I, Larry Byrne, hereby declare as follows:

1. I make this declaration upon my personal knowledge, unless specifically stated to the contrary.

2. I am an attorney duly license to practice law in the State of Illinois. I am an attorney with Penderson & Houpt, 161 North Clark Street, Suite 2700, Chicago, Illinois.

3. I represent Stone Park Entertainment, LLC (“Stone Park”), plaintiff in this above-captioned matter, with respect to the matters stated herein.

4. I am informed, as stated in the Verified First Amended Complaint [ECF No. 11, ¶¶ 23], Stone Park does business as Scores at 4003 West Lake Street

in Stone Park, Illinois. I am informed that Stone Park is what is colloquially referred to as a gentlemen's club or "adult business" that presents female performance dance entertainment which is fully clothed and, at times in pasties and a t-strap. [Id. at ¶217].

5. It is my understanding that whether a qualified Paycheck Protection Program ("PPP") lender is able to process loans for an adult business depends on the individual bank interprets Small Business Association ("SBA") guidance and/or the regulations promulgated by the SBA. I understand that Stone Park verily regards itself as eligible for a PPP loan.

6. My understanding is that, because this is the case, Stone Park has sought out loans from multiple qualified PPP lenders. I have assisted Stone Park in this process. As of the date of this declaration, to my knowledge, Stone Park has been unsuccessful in obtaining approval for a PPP loan from any lender.

7. Attached hereto as **Exhibit 1** is a true and accurate copy of email correspondence between [REDACTED], Chief Operating Officer of [REDACTED] and me, which occurred on or about the date and time stated, being 11:53 AM central time on April 22, 2020.

8. Attached hereto as **Exhibit 2** is a true and accurate copy of email correspondence between [REDACTED], Chief Operating Officer of [REDACTED]

██████████ and me, which occurred on or about the date and time stated, being 1:06 PM central time on April 22, 2020.

9. Attached hereto as **Exhibit 3** is a true and accurate copy of email correspondence between ██████████, Chief Operating Officer of ██████████ ██████████ and me, which occurred on or about the date and time stated, being 1:30 PM central time on April 22, 2020.

10. Attached hereto as **Exhibit 4** is a true and accurate copy of email correspondence between ██████████, Chief Operating Officer of ██████████ ██████████ and me, which occurred on or about the date and time stated, being 1:54 PM central time on April 22, 2020.

I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Executed on: April 24, 2020



By: Larry Byrne

Byrne, Larry

From: [REDACTED]
Sent: Wednesday, April 22, 2020 11:53 AM
To: Byrne, Larry
Subject: Stone Park Entertainment

Mr Byrne:

Your inquiry regarding the PPP loan program was referred to me. We have reviewed the guidance and rules provided to us by the SBA concerning the eligibility of the above business. According to the information we have Stone Park Entertainment is not eligible. Accordingly the business is not in process or being considered for submission. We believe that the second funding will begin within the next several days. If new guidance is issued that changes the eligibility requirements we could reconsider. Given the speed in which the funds are expected to be used and the pending qualified applicants we currently have I cannot be positive that we could be able to get the request approved.

These are not our rules. We are merely following the guidelines provided to us by the SBA . I wish I had a better interpretation of the rules for you

[REDACTED]
Chief Operating Officer

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Byrne, Larry

From: [REDACTED]
Sent: Wednesday, April 22, 2020 1:06 PM
To: Byrne, Larry
Cc: [REDACTED]
Subject: Stone Park Entertainment

Yes. The guidance clearly states that this program is an add on to the existing 7A program which makes the determination as to the eligibility of your client.

[REDACTED]

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Byrne, Larry

From: [REDACTED]
Sent: Wednesday, April 22, 2020 1:30 PM
To: Byrne, Larry
Cc: [REDACTED]
Subject: RE: Stone Park's PPP Loan application

Barry

[REDACTED] is in receipt of a PPP loan application for Stone Park Entertainment. Regrettably, due to the nature of their business they're ineligible for an SBA loan.

For more information on ineligible industries, including a detail list visit [SBA.gov](https://www.sba.gov).

Thank you,

[REDACTED]

This e-mail, including any attachments, may contain information that is protected by law as privileged and confidential, and is transmitted for the sole use of the intended recipient. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying or retention of this e-mail or the information contained herein is strictly prohibited. If you have received this e-mail in error, please immediately notify the sender by telephone or reply e-mail, and permanently delete this e-mail from your computer system. Thank you.

From: Byrne, Larry [REDACTED]
Sent: Wednesday, April 22, 2020 11:53 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Stone Park's PPP Loan application

THIS IS AN EXTERNAL EMAIL

Yolanda:

██████████ advised that you are working on the above loan application. It appears that another round of PPP funding is imminent. Additionally, the funding has set asides for certain community banks to assure middle-market lenders can participate appropriately in this round of funding. Can you please verify that the Stone Park PPP loan is in the queue based upon the date they applied and that ██████████ is not re-ordering the line-up or requiring a resubmission? Additionally, we would like to know where they are in the queue if possible. Obviously we are concerned about the time line and would like to be prepared and assured that all is in order if the funding is approved. We also want to be certain that the bank anticipates participating in the next phase of the program.

My direct number is set out below if you have time to discuss the matter.

Pedersen
Pedersen & Houpt

Larry Byrne
Attorney at Law
161 North Clark Street, Suite 2700
Chicago, Illinois 60601
312-261-2155
lbyrne@pedersenhaupt.com

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Byrne, Larry

From: [REDACTED]
Sent: Wednesday, April 22, 2020 1:54 PM
To: Byrne, Larry
Subject: Stone Park Entertainment

Larry: As you know the next funding has yet to be approved. We are not sure when that will occur. We can put your client on our list to preserve its place. However we cannot submit to the SBA until the eligibility issue is resolved. Once the program is up and running I do not think there will be funds available at month end. I will refer this to outside counsel and will attempt to get a direct answer from the SBA. Since the bank would not extend this loan without the guaranty from the SBA, we cannot take any steps that would jeopardize that guaranty. To summarize: your client will go on the list. The bank will not submit the application to the SBA once the process restarts until we receive clarification from the SBA as to the eligibility issue. If you are able to identify another financial institution today that is willing to process that may be a prudent path to follow.

[REDACTED]

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